



**Sunset Empire Transportation District
TRANSPORTATION ADVISORY COMMITTEE
SPECIAL ZOOM/ IN PERSON MEETING
APPROVED MEETING MINUTES
August 16, 2023 10:00 AM**

1. CALL TO ORDER- Tita Montero announced that there was no chair or vice chair available to chair the meeting and asked if the committee would agree for her to chair the meeting. There was unanimous approval for Tita to Chair the meeting
2. PLEDGE OF ALEGIANCE-
3. INTRODUCTION AND ROLL CALL:

Larry Miller	Renee Bickmore	Chris Breitmeyer	Lin Anderson	Diana Nino	Tita Montero	Nicole Williams
Present	Present	Absent	Absent	Present	Present	Absent

Staff – Interim Executive Director Paul Lewicki, Financial Officer Kelly Smith, Executive Assistant Mary Parker Executive Assistant and Driver Supervisor/Mobility Manager Jason Jones

4. CHANGES TO AGENDA- An updated 2024-2025 STIF matrix was added to the meeting pack and posted on the website.
5. PUBLIC COMMENT- None
6. APPROVAL OF JANUARY 2023 MINUTES-
 Larry Miller moved to approve the January 29, 2023 meeting minutes
 Rene Bickmore seconded the motion
 Motion passed unanimously
7. NEW BUSINESS
 - a. APPROVAL OF UPDATED STATEWIDE TRANSPORTATION IMPROVEMENT FUND PROJECTS 2023

Interim Executive Director Lewicki explained that since the TAC had met in January 2023, the District had experienced a financial setback, and in April 2023 SETD temporarily suspended service. However within 2 weeks of the suspended service SETD had set up Paratransit services and a fixed route service primarily from a loan provided by the Oregon Transportation Infrastructure Bank (OTIB). The loan, which is a \$1,000,000 Line of Credit has sustained the district so far. Lewicki said funds that were supposed to be forthcoming are being withheld from the district until the results of the ongoing forensic audit are complete. Lewicki said the forensic audit should tell us the cause of the district running out of cash in April. Lewicki explained that as part of the process to get us back on firm financial footing ODOT has helped us redraft the STIF plan that the TAC committee recommended for approval to the Board and the Board approved in January of 2023. The dollar number is the same, but the projects have been restructured with the intent of reaching our financial responsibility with more certainty. Lewicki said the projects on the new STIF plan primarily provide match funds for our 5310 and 5311 grants and will help

us fund operations as we get back on our feet. The funds will cover administrative costs and help us do research on replacing our financial software program. Lewicki also said the STIF funds will service the debt the district has for the OTIB loan with payments coming directly out of the STIF funds. Lewicki explained that the STIF matrix sheet that was in the TAC meeting packet and the updated matrix that was submitted this morning have subjects that have been simplified and all aim at supporting our efforts to restore service to the district.

Interim Chair Tita Montero asked if there were any questions from the committee. SETD Commissioner Diana Nino asked for the updated matrix to be shared on zoom. Commissioner Nino said she understood the changes that need to be made because of what has happened in the past few months, however she asked what will happen to the STIF projects that we have been working on for the last couple of years that we were receiving funds for. Interim Executive Director Lewicki said that ODOT has recommended that we maintain service at the level we are at right now for a year. The projects that were funded in the last biennium are gone. The funds we had budgeted for those projects are gone are what led us to the problems in April. Lewicki explained that the funds that were set up for those projects were paid to us for 6 quarters of the biennium and were exhausted. The money paid for those quarters apparently was placed into an account which was spent on operations and that is what has precipitated this forensic audit. Lewicki said for all practical purposes those projects from the last biennium are off our radar and the funds we had for projects are gone. Lewicki said the final STIF progress report was submitted this week which indicates that those projects are no longer viable projects for us and that the funding was spent on operations. Lewicki said what is past is past, and we are now trying to get our financial house in order. If we reach a point when we can add service we will, however we are not looking for any of those other projects until the next biennium.

Interim Chair Montero further explained that the approvals that were done at the January meeting were for fiscal year 2024 and 2025 which begins after July 1, 2023. Chair Montero said what she sees this doing is taking what was decided in 2023 and saying that some of these things are still on the new plan but some are not, however no funds have been received for the 2024-2025 biennium projects. Chair Montero said the only thing that correlates between the January project sheet and today's project sheet is the money that is going to be received which is \$2,102,862, and we are just deciding how to use it differently.

Financial Officer Kelly Smith read and discussed each of the projects listed on the updated matrix presented.

Project 1- is the match for the 5310 Grant for preventative maintenance, Mobility Management and fixed route service. Chair Montero asked Kelly to break it down further. Kelly said this includes salaries, parts and materials and preventative maintenance. Interim Director Lewicki clarified that there is a 10% match required.

Project 2- is the match for 5311 funds such as operations, preventative maintenance, administration of routes that were reinstated after the brief halt of all services. 5311 is a 50% match.

Project 3- This project is for operations and will help fund reinstated routes after the brief halt of all services. Operations funds include personal services, insurance, and the cost of operating the bus but does not include administration. Commissioner Nino asked why this is only for 2024 and not 2025. Interim Executive Director Lewicki said that it is an expectation that at the end of the biennium we should be on solid enough footing that we won't need the subsidizing from ODOT.

Project 4- This project will fund administrative daily costs and tasks and fund the research on the purchase of a new financial software program.

Project 5- This project will help repay the OTIB loan spread out over 2 biennia. Kelley said the payment will come off the top so we essentially will never see it as it pays towards our loan that we opted to pay off in 4 years.

Commissioner Nino asked if these grants are calculated at 100% or 120% of the grant value. Kelly said it is at 120%. Kelly said the plan total is at 120% because if we plan for only 100% and they collect 120% we are not paid out at that. Kelly said we budget for 100% and plan for 120%. Commissioner Nino asked that in the future the STIF plan shows the totals at 100% and 120%.

Chair Montero commented that 4 of these projects have operations and personnel and asked Kelly if she had a percentage of what goes for personnel versus what goes into operations and preventative maintenance which would be soft costs versus hard costs. Kelly said she did not have that at this time. Montero asked if all the funds set aside for 2024 are not used does it roll over into 2025? Kelly said yes. Commissioner Nino asked what if more money is needed in the first year? Is there a limit, or can you borrow from the 2025 funding? Interim Executive Director Lewicki said it has been quite a revelation for Kelly and I learning how the STIF funding works. Lewicki explained that in the first place the STIF money that is collected in Clatsop County is only for SETD. If we reach our plan maximum before we use all the money that is available, that money will be available to us in the next biennium. If we have funds left in 2024, it is available in 2025. If at the end of 2025 we have funds left we can use them in the next biennium, so it is our money. Lewicki said the thing that has been perplexing and maybe has contributed to our financial problem is we get this money as it is collected. Lewicki explained that we received the money for the 2021-2023 period by October of 2022, however we ran out of money because we spent it on operations. Lewicki said we're going to get this money the same way. We are going to get it as it is collected, however, we have learned to put internal controls in place so that these funds are going into a separate account at the bank. Lewicki said in July we were supposed to have gotten our STIF first quarter payment, which we have not received but should in August. The payment should be about \$700,000, which is going into the STIF bank account. Lewicki explained we are not going to spend it in July, August, or September. We are going to only spend a certain amount each quarter over 8 quarters, so we have money left in the last quarters. Lewicki said it is not as though we do a project and get reimbursed for it, this money is to manage our cash flow. Chair Montero commented that it is reserve funding that you only use for certain things.

Chair Montero said that when the TAC met last January, we had prioritized the STIF projects and that is what the number reflected. Chair Montero asked if anyone remembered anything differently. Chair Montero said she would like the committee to look at each of the projects and see if they agree with the priority they are placed in. Chair Montero said she wanted to put forth that the OTIB Debt Service needs to be #1 because we are not going to see those moneys coming in the door anyway and that is a priority. Lewicki said the plan is already drafted but we can assign priority to projects if you like. Chair Montero agreed to assign new priorities and said a new column would be added to the matrix. After discussion the TAC recommended the following priorities for the STIF projects:

Priority	
#1 Debt Service	Project 5
#2 5310 Match	Project 1
#3 Operations	Project 3
#4 5311	Project 2
#5 Software plan	Project 4

Commissioner Nino moved to recommend the projects listed in the 2024-2025 worksheet for approval by the Board and the addition of the list of priorities for each project.

Commissioner Larry Miller seconded the motion

Discussion- None

Aye-Larry Miller
Aye-Tita Montero
Aye- Renee Bickmore
Aye- Diana Nino

4 Aye
0 Nay
Motion passed unanimously

8. COMMENTS- Larry Miller said being an administrator himself he thought all the people who put all the effort in this have done one heck of a job and the fact that we prioritized these is a substantial move. You all have done a great job. Thank you.

Interim Executive Director Lewicki commented that PTAC has already looked at the plan that this committee recommended in January. Lewicki said it now must go from you to the Board, then back to PTAC, and back to OTC, before it goes back to ODOT to fund. Lewicki said there's concern on ODOT's part whether they will release funding or not until after the audit is complete. Lewicki said there may be some risk going into the second quarter that we will not get that funding if the audit is not complete. Chair Montero said it kind of makes me feel that ODOT gives with one hand and takes with the other.

Commissioner Nino thanked the staff for all they are doing and thanked the TAC for being so gracious. Chair Montero also thanked the committee for attending the meeting.

9. ADJOURNMENT

Meeting was adjourned at 11:00 AM

Mary Parker, Recording Secretary

Copies and meeting recordings are available on request. Contact Mary Parker mary@ridethebus.org

Mission Statement

Provide safe, reliable, relevant, and sustainable transportation services to Clatsop County with professionalism, integrity, and courtesy.